



State of Idaho

Legislative Services Office

Management Report

A communication to the Joint Finance-Appropriations Committee

OFFICE OF THE SUPERINTENDENT
OF PUBLIC INSTRUCTION

FY 2008, 2009, AND 2010

Report IC17010
Date Issued: April 6, 2011

Serving Idaho's Citizen Legislature



Idaho Legislative Services Office
Legislative Audits Division

Don H. Berg, Manager

OFFICE OF THE SUPERINTENDENT OF PUBLIC INSTRUCTION

SUMMARY

PURPOSE OF MANAGEMENT REVIEW

We conducted a management review of the Office of the Superintendent of Public Instruction covering the fiscal years ended June 30, 2008, 2009, and 2010. Our review focused on the accuracy of the \$1.3 billion distribution to public schools for fiscal year 2010. Audit procedures included a comparison of the distributions with the appropriation bills and a recalculation of the distribution for a random sample of public schools and public charter schools.

The intent of this review was not to express an opinion, but to provide general assurance that the public school funds were accurately disbursed.

CONCLUSION

We did not identify any significant conditions or weaknesses in the general administrative and accounting controls of the Office.

FINDINGS AND RECOMMENDATIONS

There are no findings and recommendations in this report or the prior report.

AGENCY RESPONSE

The Office has reviewed the report and is in general agreement with its contents.

FINANCIAL INFORMATION

The following financial data is for informational purposes only.

OFFICE OF THE SUPERINTENDENT OF PUBLIC INSTRUCTION— FISCAL YEAR 2010

| <u>Fund</u> | <u>Fund Name</u> | <u>Beginning Cash/ Appropriations</u> | <u>Receipts/ Transfers-In</u> | <u>Disbursements/ Transfers Out</u> | <u>Ending Cash/ Appropriations</u> |
|--------------------|----------------------------------|--|--|--|---|
| 0001 | General Fund | \$9,656,293 | \$1,010 | \$8,164,893 | \$1,492,410 |
| 0125 | Indirect Cost Recovery | 858,254 | 883,159 | 291,043 | 1,450,370 |
| 0315 | School District Building Account | 25,690,472 | 36,474,764 | 34,146,281 | 28,018,955 |
| 0319 | Driver Training Account | 3,943,711 | 1,482,454 | 1,525,645 | 3,900,520 |
| 0325 | Public Instruction | 1,098,041 | 1,206,778 | 1,046,786 | 1,258,033 |
| 0346 | American Reinvestment Fund | 0 | 179,259,101 | 179,248,800 | 10,301 |
| 0348 | Federal Grant Fund* | (107,304) | 235,592,723 | 236,276,785 | (791,366) |
| 0349 | Miscellaneous Revenue | 119,782 | 847,701 | 719,279 | 248,204 |
| 0481 | Public School Income Funds | 45,968,031 | 1,333,593,474 | 1,325,674,442 | 53,887,063 |
| | Totals | <u>\$87,227,280</u> | <u>\$1,789,341,164</u> | <u>\$1,787,093,954</u> | <u>\$89,474,490</u> |

*This fund can have a negative cash balance because of a \$16,250,000 borrowing limit.

This report is intended solely for the information and use of the State of Idaho, the Office of the Superintendent of Public Instruction, and the State Board of Education and is not intended to be used by anyone other than these specified parties.

We appreciate the cooperation and assistance given to us by Superintendent Tom Luna and his staff.

ASSIGNED STAFF

Eugene Sparks, CPA, CGFM, Managing Auditor

Kathleen Watkins, CPA, In-Charge Auditor

Mark Schoenfeld, Staff Auditor

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AGENCY RESPONSE



STATE DEPARTMENT OF EDUCATION

P.O. BOX 83720
BOISE, IDAHO 83720-0027

TOM LUNA
STATE SUPERINTENDENT
PUBLIC INSTRUCTION

March 23, 2011

Mr. Don Berg
Division Manager of Legislative Audits
P.O. Box 83720
Boise, ID 83720-0054

RE: Audit Response for Management Report IC17010

Dear Mr. Berg,

The Department of Education has reviewed the Management Report for fiscal years 2008, 2009 and 2010. We are pleased with your assessment that no significant weaknesses exist in our administrative and accounting controls and that the report contains no findings.

Sincerely,

A handwritten signature in black ink, appearing to read "Tom Luna".

Tom Luna
Superintendent of Public Instruction

APPENDIX

HISTORY

The State Department of Education was officially established as an executive agency on July 1, 1972, as a result of House Bill 442. Previously, the Department existed as an executive agency to carry out the policies and directives of the Superintendent of Public Instruction and of the State Board of Education.

PURPOSE OF AGENCY

The Department of Education's purpose is to carry out regulatory responsibilities as they relate to public schools and the State agency; provide service to school districts in terms of activities that maintain or improve educational opportunities for children; and provide leadership in the field of education.

STATUTORY AUTHORITY

The laws establishing the State Department of Education are codified in Idaho Code, Title 33, Chapter 1. Idaho Code, Section 33-125 states that the Superintendent shall serve as the Executive Officer of the Department and shall have the responsibility for carrying out policies, procedures, and duties prescribed by law or established by the State Board of Education for all elementary and secondary school matters.

ORGANIZATION

The Idaho State Department of Education is organized into six divisions. Each division is led by a deputy superintendent who oversees the employees and programs within that division. The divisions within the State Department of Education work closely together to ensure each program is meeting the needs of all Idaho students. Following is a brief description of the divisions within the State Department of Education.

Assessment – The Division of Assessment administers Idaho's statewide testing system. The Division includes the Idaho Standards Achievement Tests (ISAT), Idaho Standards Achievement Tests – Alternate Assessment (ISAT-Alt), Idaho English Language Assessment (IELA), and National Assessment of Educational Progress (NAEP).

Content, Innovation, and Choice – The Division of Content, Innovation, and Choice provides technical assistance to improve the innovation and choices available within public education. The division includes Content Areas and Instructional Services; School Choice; and Gifted and Talented Coordinator.

School Support Services – The Division of School Support Services assists Idaho schools and districts with the daily services they provide to the customers of education. The division includes the office of Teacher Certification; Coordinated School Health; HIV/AIDS; Safe and Drug Free Schools Program; 21st Century Community Learning Centers; Driver Education; and Indian Education.

Finance, Child Nutrition, and Student Transportation – The Division of Finance, Child Nutrition, and Student Transportation distributes the public school state appropriation and assists school districts and charter schools with finance, child nutrition, and student transportation services.

Student Achievement and School Accountability – The Division of Student Achievement and School Accountability provides technical assistance to schools in the areas of student achievement, special education, and Title I programs. The division includes No Child Left Behind and Special Education.

Communications and Government Affairs – The Division of Communications and Government Affairs manages the day-to-day operations of the State Department of Education and oversees legislation and communications. The division includes the Office of the Superintendent of Public Instruction, Human Resources, Accounting, and Information Technology.

Department of Education – Administration (Executive Staff)

